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THE NEXT MEMBER SHIFT

How Changing Member Expectations Are Reshaping Credit Union Strategy

WHO IS YOUR BIGGEST COMPETITOR?

COMPETITORS DO NOT NEED TO BECOME CREDIT UNIONS TO OWN THE MEMBER RELATIONSHIP.

Embedded finance moves competition
outside the category

EXPERIENCE ECONOMY

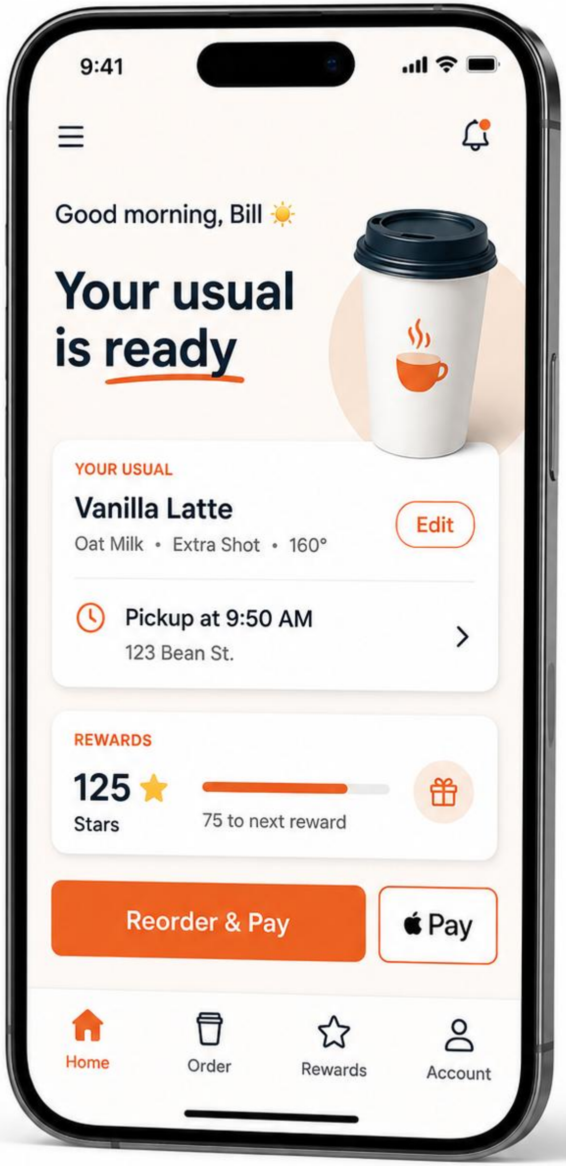
Commodity

Goods

Services

Experience

Transform



EXPERIENCES CREATE EXPECTATIONS

The shift:
Once people experience this level of value anywhere, they begin to expect it everywhere.

THE EXPECTATION ECONOMY HAS RESET LOYALTY

Members bring the best experiences in their lives into every financial relationship.

THE MOVEMENT IS GROWING — BUT RELEVANCE IS NOT GUARANTEED

145.8M

(▲20M in 5 years)

federally insured credit union members in Q1 2026

4,250

federally insured credit unions, down from 5,068 5 years ago

Source: NCUA, Q1 2026 Credit Union System Performance Data

THE MOVEMENT IS GROWING — BUT RELEVANCE IS NOT GUARANTEED

Are we growing because our strategy is working — or because the system around us is still strong?

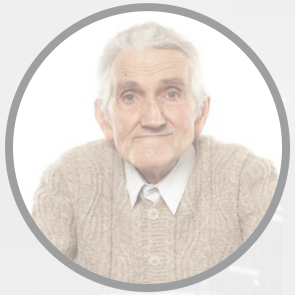
Where are member expectations changing faster than our delivery model?

Source: NCUA, Q1 2026 Credit Union System Performance Data

GETTING TO KNOW THE MEMBER BASE

WHO IT IS + HOW IT'S CHANGED

AGE IS NOT THE STRATEGY… EXPECTATIONS ARE

TRADITIONALIST	BOOMER	GEN-X	MILLENNIAL	GEN Z	GEN ALPHA
1925-1945	1946-1964	1965-1980	1981-1996	1997-2012	2013-2027
2024 <1%	13%	32%	36%	18%	%
	1975 - 2012	2012 - 2016	2017 -		

FINANCIAL RELATIONSHIP CHOICE

BOOMERS
PRESERVE WHAT I BUILT

GEN X
CONTROL, EFFICIENCY, SIMPLE

MILLENNIAL
ACHIEVE GOALS DESPITE PRESSURE

GEN Z
NAVIGATE UNCERTAINTY WITH TOOLS I TRUST

MILLENNIALS “Y”

VS

Gen-Z

CULTURAL CONTEXT

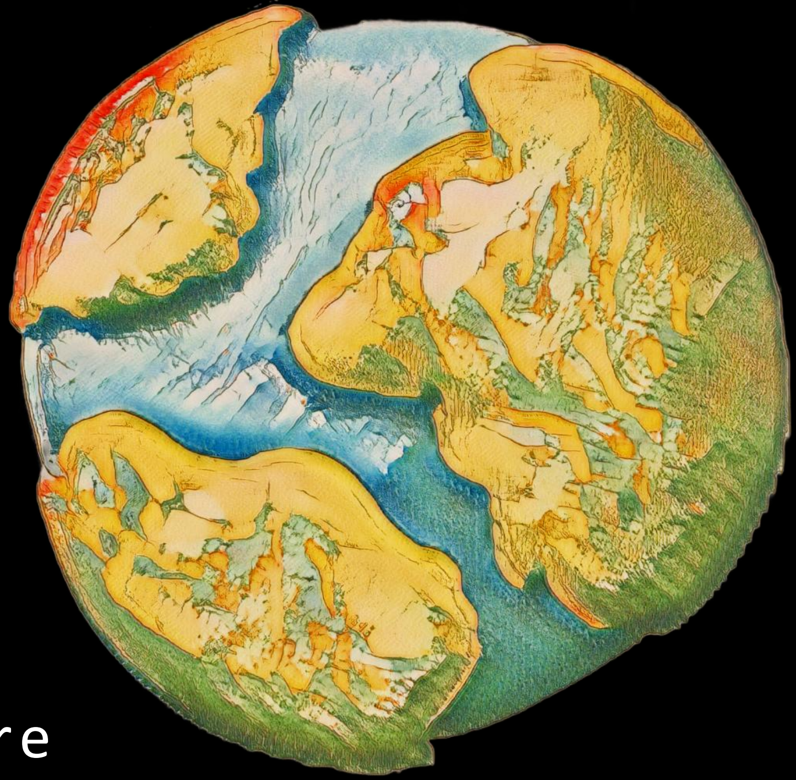
DIFFERENT WORLD VIEWS CREATE DIFFERENT FINANCIAL EXPECTATIONS

Smartphone Revolution

Social Media Boom to A.I.

Pandemic

Rise of Influencer Culture



Wars in Iraq and Afghanistan

Great Recession to Housing Affordability

Student Debt

Parkland Shooting

GENERATION Z
Established 1997

RESOURCEFUL
Unrestrained by Boundaries
Despise Inefficiency

CONNECTED
True “Digital Natives”

EDUCATED
Non-Linear Paths

INDIVIDUALISTIC
Unique vs Perfect

ENVIRONMENTALLY & SOCIALLY ACTIVE
Doer vs. Talker

ENTREPRENEURS
Autonomous Self- Starters
The Rule not the Exception

Gen Z Is Not the Exception — They Are the Early Signal

What appears first in Gen Z often **becomes normal** across the market.

What This Means for Credit Unions

The issue is no longer age. The issue is **expectation**.

Not Just Gen Z

These expectations are spreading across age groups.

Expectations Are Rising

Members compare financial experiences to the best digital experiences in their lives.

Member Strategy Must Evolve

Compete on speed, personalization, transparency, self-service, and trusted digital control.

What begins as a generational signal becomes a **market expectation**.

GEN Z RAISED BY GEN-X

(MOSTLY)

Gen—X Parents are…

- Cynical
- Challenging
- Pragmatic
- Encourage Independence

”

**I don’t expect life to be easy for him, but I think I’ve given him the tools;
The rest is up to him.**

-Gen X Parent

EVERYBODY DOESN’T HAVE THE SAME FINANCIAL COMMON KNOWLEDGE

GEN Z + MILLENNIALS: A DIGITAL-NATIVE CONTINUUM

Behavior	Why It Matters for Credit Unions
Mobile-first financial life	The phone is often the primary branch.

BEHAVIORS BEAT LABELS

The strategic issue is not “what X generation wants.” It is about which behaviors are becoming normalized across the generations.

THE MEMBER OF 2035 IS ALREADY HERE...

THE 2035 MEMBER EXPECTS:

- Instant access, not office-hour access.
- Personal relevance, not generic offers.
- Financial guidance, not just financial products.
- Data mobility, not data silos.
- AI-assisted answers, not institutional complexity.
- Human trust when the stakes are high.

SATISFACTION IS NO LONGER ENOUGH

A satisfied member may still leave if the next option feels easier, faster, or more relevant.

BOARDS

Are we measuring loyalty signals or only satisfaction scores?

EXECUTIVES

Where do members still have to repeat, wait, call, print, or guess?

TEAMS

Which journeys create friction at the exact moment trust matters?

FIVE EXPECTATION SHIFTS RESHAPING RELEVANCE

These are not technology choices. They are relevance choices.

1. Convenience is assumed
2. Personalization is expected
3. Advice matters more than transactions
4. AI becomes the first layer of service
5. Trust becomes the differentiator

SHIFT 1

CONVENIENCE IS ASSUMED

Convenience is not a differentiator when everyone expects it. Friction is the disqualifier.

WHERE DOES FRICTION UNDERMINE OUR PROMISE OF MEMBER VALUE AND TRUST?

SHIFT 2

PERSONALIZATION IS EXPECTED

Personalization is the new trust test.

As data becomes more portable, members expect it to make their experience easier — without feeling watched, targeted, or exploited.

The strategic question is not “Can we personalize?” It is “What kind of personalization strengthens trust?”

GOOD PERSONALIZATION

Feels timely, helpful, and aligned with the member’s needs.

BAD PERSONALIZATION

Feels invasive, opportunistic, or disconnected from the relationship.

CREDIT UNION OPPORTUNITY

Use trust and context to make guidance feel like advocacy rather than targeting.

SHIFT 3

ADVICE MATTERS MORE THAN TRANSACTIONS

Financial wellness is not a side program. It is a relevance strategy. Credit unions can win where members need confidence, not just completion.

63%
of U.S. adults could cover a $400 emergency expense using cash or equivalent in 2025

45%
of adults ages 18–29 could cover the same $400 expense in cash/equivalent

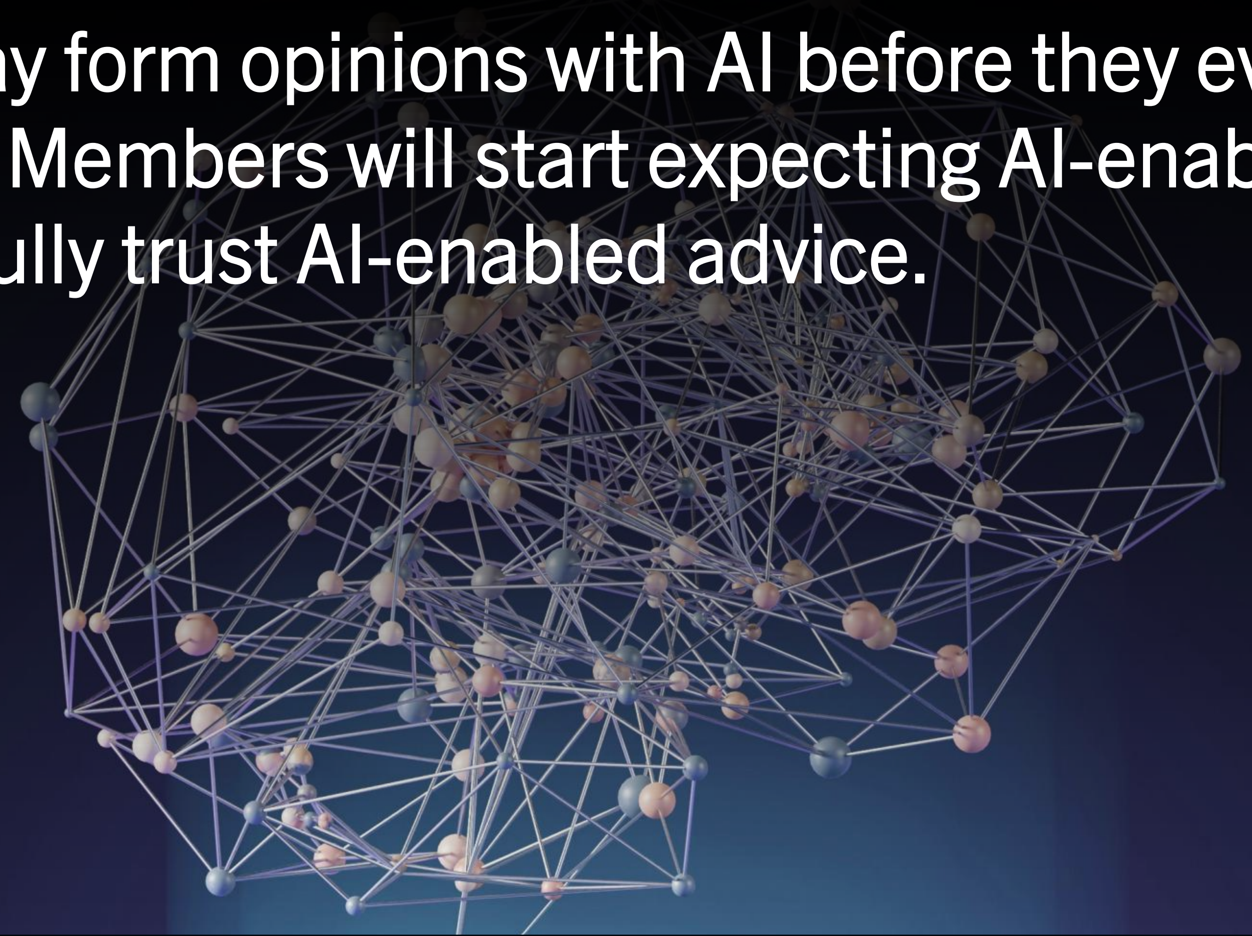
57%
of adults ages 30–44 could cover the same $400 expense in cash/equivalent

Unexpected Expenses And Financial Fragility Create A Role For **Proactive Guidance.**

SHIFT 4

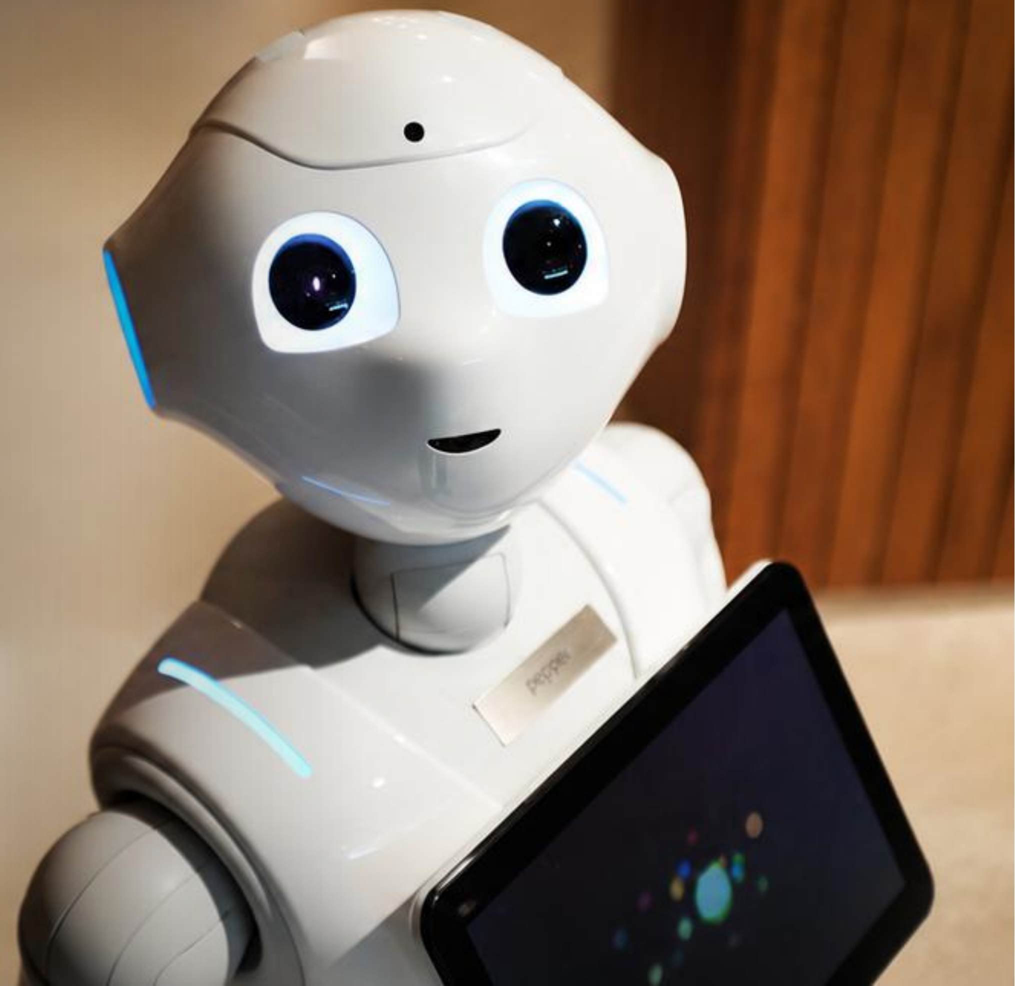
AI BECOMES THE FIRST LAYER OF FINANCIAL SERVICE

Members may form opinions with AI before they ever talk to the credit union. Members will start expecting AI-enabled speed before they fully trust AI-enabled advice.



WHAT HAPPENS WHEN EVERY MEMBER HAS AN AI FINANCIAL ASSISTANT?

1. Members may ask AI where to refinance, what loan is best, or whether fees are fair.
2. Members may arrive with recommendations they trust before your team is involved.
3. The credit union must decide where human judgment is essential and where AI can scale access.



SHIFT 5

TRUST BECOMES THE DIFFERENTIATOR

Trust is the bridge between credit union values and modern expectations. Trust becomes the differentiator.

RELATIONSHIPS, COMMUNITY, AND TRUST **STILL MATTER**, BUT THEY MUST BE DELIVERED THROUGH MODERN CHANNELS.

AI IS MOVING FASTER THAN GOVERNANCE COMFORT

QUESTIONS YOUR LEADERSHIP TEAM NEEDS TO ALIGN AROUND NOW:

1. **Fair:** Does it treat members equitably?
2. **Explainable:** Can we explain the recommendation or decision?
3. **Private:** Are we protecting member data and consent?
4. **Human-centered:** Do members know when and how to reach a person?
5. **Aligned:** Does this reinforce our mission and values?

AI-FLUENT LEADERSHIP IS NOW A MEMBER STRATEGY CAPABILITY

Boards

need enough AI fluency to
govern risk and trust

Executives

need enough AI fluency to
redesign member journeys

Teams

need enough AI fluency to
improve responsiveness without losing humanity

WHERE AI SHOULD START:
FRICTION + SCALE

Look for places where:

- Members Wait
- Employees Repeat
- Data Is Trapped
- Questions Are Predictable
- Explanations Are Inconsistent
- Handoffs Create Confusion

THE CREDIT UNION ADVANTAGE 2.0

The historic strengths still matter — but they must be delivered through modern expectations.

Historic strength →

Relationships, community, service, member ownership, trust, and financial well-being.

Modern delivery →

Fast, personalized, transparent, digital, intuitive, and available at the moment of need.

Future relevance

Trusted guidance that travels with the member across channels and life moments.

SIGNAL → SHIFT → STRATEGIC CHOICE

What are we seeing? → *What is becoming normal?* → *What will we do?*

WHICH EXPECTATION SHIFT IS MOST LIKELY TO DISRUPT YOUR CURRENT STRATEGY OVER THE NEXT FIVE YEARS?

WHAT ARE YOU DOING NOW TO CAPTURE THE OPPORTUNITY AND REDUCE THE RISK?

- **Board lens:** What strategic choice, investment, or guardrail does this require?
- **Executive lens:** What capability, process, or talent gap does this expose?
- **Shared lens:** What decision should we stop postponing?

CHOICES LEADERS SHOULD MAKE NOW...

What human moments require presence, and what should be digital-first?

Where do we automate, augment, or protect human decision-making?

What member value justifies data use?

Where can we move from education to proactive guidance?

How often do we review member signals and assumptions?

RELEVANCE IS A STRATEGIC CHOICE

Credit unions do not need to become fintechs. They need to become more strategically relevant to the members they exist to serve.

Technology changes. Human needs do not.

LET’S CONNECT!

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